

WARREN TOWNSHIP
of MARION COUNTY
Jeff Bennett, Trustee



May 30, 2012

Indianapolis-Marion County City-County Council
Tax Increment Finance Study Commission
c/o Hope C. Tribble, CFO and Policy Analyst
200 East Washington Street, T241
Indianapolis, IN 46204

RE: Fiscal impact—TIF districts and township government

Members of the Commission:

Thank you for the opportunity to contribute to the ongoing discussion of Tax Increment Financing districts. From my time in city government, working in community economic development, to my role today serving on behalf of the residents of Warren Township, I've developed a well-rounded view of TIF. When used appropriately, TIF is an excellent financial tool—one of the few that we have to generate economic growth in areas that might not otherwise be developed.

In Marion County, the total assessed value—real and personal property—within TIF areas equals approximately eight percent of the overall certified net assessed value for 2011 pay 2012, \$2,927,970,583 of \$33,922,279,415.

With four TIF districts, two of them located at Raytheon (the former Naval Air Warfare Center), Warren Township includes approximately one percent of the total TIF assessed value: \$40,475,340. If the total TIF assessed value was returned to the township's tax base, our overall property tax rate would drop from \$.0049 to \$.0048.

By comparison, Center Township includes approximately 82 percent of the total TIF assessed value for Marion County, \$2,394,259,940. In addition, the township is estimated to lose \$384,870 in revenue due to the property tax circuit breaker credit. If Center Township were to receive the assessed value from its TIF areas, the township's overall tax rate would drop from \$.067 to \$.043 with additional revenue gained by a reduction in the circuit breaker credit.

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It's important to bear in mind that well-crafted, successful TIF areas catalyze projects that would not have otherwise occurred but for the action of the City. For example, without TIF, net assessed values may have remained stagnant in once-blighted areas such as Fall Creek Place. And the City would continue to have blocks and blocks of vacant lots and neglected housing stock.

However, TIF districts should have a beginning and an end, as is now required by state statute. Once a project is completed and the bonds paid off, or if a TIF area generates more assessed value than is needed for debt service or annual "pay as you go" projects, assessed value should be passed through to local taxing units and/or the TIF area retired.

Such a policy would provide transparency and preserve this valuable tool for use in other areas of the county that would benefit from redevelopment.

Sincerely,

Jeff Bennett